

Date: May 31, 2011

To: Thomas J. Bonfield, City Manager

Through: Theodore L. Voorhees, Deputy City Manager
David Boyd, Finance Director

From: Donald F. Greeley, Director, Water Management

Subject: Piggyback Purchase – Inductively Coupled Plasma Mass Spectrophotometer, ICPMS – Laboratory Instrument

Executive Summary

The contract under consideration will provide the Laboratory Services Division, Department of Water Management, with a replacement laboratory instrument, Inductively Coupled Plasma Mass Spectrometer, ICP-MS. This instrument is used to analyze water, wastewater and stormwater samples for low level metals as required by state and federal regulations. The existing unit is 14 years old and the staff is currently experiencing significant problems with the unit due to frequent down time to conduct necessary repairs. PerkinElmer, the recommended manufacturer of the instrument, is offering special pricing through the current fiscal year which would save up to 30% on the purchase of the instrument.

North Carolina General Statute 143-129(g) allows an exception to the bidding process for piggyback purchases. The Administration has analyzed market conditions, has compared the pricing to other recent similar bids, and recommends using the “piggyback” provision.

The total cost of the contract, \$143,596.59, is funded in the CIP - Wastewater Process Rehabilitation (4100P767-732300-P251F).

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by PerkinElmer of Shelton, Connecticut and have determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting. There were no SDBEs to provide this product.

Recommendation

The department recommends that City Council authorize the City Manager to enter into a contract with PerkinElmer in the amount of \$143,596.59, to purchase the laboratory instrument, Inductively Coupled Plasma Mass Spectrometer, ICPMS.

Background

The contract under consideration will provide the Department of Water Management, Laboratory Services Division, with an ICP-MS for analyzing for low level metals on water, wastewater and stormwater samples as required under state and federal regulations. This

instrument will replace a 14 year old instrument that is reaching the end of its useful life and is currently requiring frequent repairs and longer sample run times. In addition, the City will be able to take advantage of new/updated technology providing greater reliability and performance.

Making purchases from your own or another governmental agency's contract is referred to as "piggybacking". North Carolina General Statute 143-129(g) allows an exception to the bidding process when making a piggyback purchase. The exception reads as follows:

Waiver of Bidding for Previously Bid Contracts. - When the governing board of any political subdivision of the State, or the manager or purchasing official delegated authority under subsection (a) of this section, determines that it is in the best interest of the unit, the requirements of this section may be waived for the purchase of apparatus, supplies, materials, or equipment from any person or entity that has, within the previous 12 months, after having completed a public, formal bid process substantially similar to that required by this Article, contracted to furnish the apparatus, supplies, materials, or equipment to:

- (1) The United States of America or any federal agency;*
- (2) The State of North Carolina or any agency or political subdivision of the State; or*
- (3) Any other state or any agency or political subdivision of that state, if the person or entity is willing to furnish the items at the same or more favorable prices, terms, and conditions as those provided under the contract with the other unit or agency.*

Notwithstanding any other provision of this section, any purchase made under this subsection shall be approved by the governing body of the purchasing political subdivision of the State at a regularly scheduled meeting of the governing body no fewer than 10 days after publication of notice, in a newspaper of general circulation in the area served by the governing body, that a waiver of the bid procedure will be considered in order to contract with a qualified supplier pursuant to this section.

Rules issued by the Secretary of Administration pursuant to G.S. 143-49(6) shall apply with respect to participation in State term contracts.

PerkinElmer has agreed to furnish the City with an ICP-MS per the same pricing and conditions as in the existing Town of Cary contract awarded in March 2011.

Issues/Analysis

In March 2011, the Town of Cary awarded a contract to PerkinElmer to provide the Town with an ICP-MS and an Atomic Absorption Unit. The Administration is recommending purchasing the ICP-M from this contract.

For the purposes of this contract, the piggyback method offers the City the following advantages:

- Enables the Department of Water Management to purchase the instrument this fiscal year, taking advantage of special pricing being offered by PerkinElmer through June 2011. PerkinElmer instruments are the standard in the water and wastewater industry. The City of Durham has used their equipment for over 30 years. The company serves all the major cities in North Carolina and many of the commercial laboratories in the Triangle area.

- Provides quicker delivery time. By foregoing the bid process, the Department should receive the unit sooner, which will allow them to take the older, more troublesome unit out of service. This is critical since the delivery time on the instrument is 8 – 10 weeks after the order is processed. Delaying the purchase will result in continued maintenance. Should the instrument completely fail, the department would have to send samples to a contract laboratory at a significantly higher cost and longer turn-around-time for reporting critical results.

Alternatives

The City could choose not to use the “piggyback” provision and seek new bids. Seeking new bids would delay the award process and most likely result in higher prices. The Administration has analyzed market conditions, has compared the pricing to other recent similar bids, and recommends using the “piggyback” provision.

Financial Impact

The total cost of the contract, \$143,596.59, is funded in the CIP - Wastewater Process Rehabilitation (4100P767-732300-P251F).

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by PerkinElmer and have determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBEs to provide this Product.

WORKFORCE STATISTICS

The workforce statistics for PerkinElmer are as follows:

Total Workforce	1745	100%
Total Females	431	25%
Total Males	1314	75%
Black Males	68	4%
White Males	1075	62%
Other Males	171	16%
Black Females	44	2%
White Females	314	18%
Other Females	73	4%